

Standard Agreement for Professional Services and Provisions



Agreement No. : Bigs #1
DOWL HKM Project No.: 4031.20012.00

STANDARD AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT between Department of Corrections, Pine Hills School, (108 North Haynes Avenue, Miles City, MT 59301) (CLIENT) and DOWL HKM (222 North 32nd Street, Suite 700, Billings, Montana 59101) (DOWL HKM) shall be effective as of the date of the last signature below. CLIENT and DOWL HKM agree that DOWL HKM will perform the following services associated with:

Consulting Services for performing remedial investigations at the project site
(108 North Haynes Avenue, Miles City, Montana 59301)

Representatives:

CLIENT Department of Corrections, Pine Hills School
DOWL HKM Charles Peterson, P.G.

SCOPE OF SERVICES:

See Attachment A - SCOPE OF SERVICES

COMPENSATION by CLIENT to DOWL HKM:

Reimbursement shall be on a time & materials basis, with a not-to-exceed total of \$24,954.00. For T & M services, DOWL HKM shall invoice no more often than monthly for services performed in the previous month in accordance with the unit rates set forth in Attachment B – DOWL HKM Fee Schedule.

The following are hereby made a part of this AGREEMENT by attachment:

Provisions (2 pages)
Attachment A - Scope of Services
Attachment B – DOWL HKM Fee Schedule
Attachment C - Cost Estimate
Attachment D – Prevailing Wage Requirements

Services covered by this AGREEMENT will be performed in accordance with the attached PROVISIONS and any Exhibits, Attachments, and/or Special Conditions. This AGREEMENT supersedes all prior agreements and understandings and may only be changed by written amendment executed by both parties.

IN WITNESS WHEREOF, persons authorized to commit the resources of the Parties have executed this AGREEMENT as follows:

Accepted for CLIENT

By Stu Orr
Title Adm.
Date 9-9-10

Accepted for DOWL HKM

By K. B. Fagg
Title Vice President
Date 9-10-10

Fed. ID No. 92-0166301

PROVISIONS

(Should conflicts arise between these Provisions and any included as Exhibits or Attachments, the Exhibits/Attachments shall take precedence)

SECTION 1 - SERVICES OF DOWL HKM

A. Authorization to Proceed

Execution of this AGREEMENT by CLIENT will be authorization for DOWL HKM to proceed with the Work as scheduled, unless otherwise provided for in this AGREEMENT.

B. Basic Services

DOWL HKM shall provide for CLIENT the services as described in this AGREEMENT within the periods stipulated herein. Services will be paid for by CLIENT as indicated herein.

C. Changes/Additional Services

The CLIENT may at any time during the term of this AGREEMENT make changes within the general scope of the AGREEMENT. If such change increases the cost of, or time for, performing the services hereunder, an equitable adjustment shall be made in the payment to DOWL HKM and/or the time for performance. Services requested of DOWL HKM, not specifically described in the Scope of Work, shall be Additional Services. Additional services will be paid for by CLIENT at the rates indicated in the Agreement or as specifically agreed to in writing between the parties.

D. Schedule

DOWL HKM's services and compensation under this AGREEMENT have been agreed to in anticipation of the orderly and continuous progress of the PROJECT through completion. Unless specific periods of time are specified in this AGREEMENT, DOWL HKM's obligation to render services hereunder will be for a period that may reasonably be required for the completion of said services.

SECTION 2 - TERMS OF PAYMENT

A. Invoicing

DOWL HKM will submit monthly invoices to CLIENT for services rendered and reimbursable expenses incurred each month. Invoices will be prepared in accordance with DOWL HKM's standard invoicing practices. Such invoices will represent the value of the completed Scope of Work and will be in accordance with the terms for payment in the AGREEMENT.

B. Progress Payments

Invoices are due and payable within 30 days of receipt. If CLIENT fails to make payment due DOWL HKM for services and expenses within 30 days after receipt of invoice, the amounts due will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said 30th day. In addition DOWL HKM may, after giving seven days written notice to CLIENT, suspend services under this AGREEMENT until DOWL HKM has been paid in full all amounts due for services, expenses, and other related charges. Payments will be credited first to interest and then to principal. In the event of a disputed or contested invoice, only that portion so contested may be withheld from payment, and the undisputed portion will be paid.

SECTION 3- CLIENT'S RESPONSIBILITIES

A. Furnish Data

CLIENT shall provide all criteria and full information as to CLIENT's requirements for the PROJECT and furnish all available information pertinent to the PROJECT, including reports and data relative to previous designs or investigations at or adjacent to the site. CLIENT shall provide such legal, independent cost estimating and insurance counseling services as may be required for the PROJECT.

B. Representative

CLIENT will designate a person to act with authority on CLIENT's behalf in respect of all aspects of the PROJECT.

C. Timely Review

CLIENT will examine DOWL HKM's studies, reports, drawings and other project-related work products and render decisions required in a timely manner.

D. Identity of Other Consultants

CLIENT will advise DOWL HKM of the identity of other independent professionals or consultants participating in the design or construction administration of the PROJECT and the scope of their services.

E. Prompt Notice

CLIENT will give prompt written notice to DOWL HKM whenever CLIENT observes or other wise becomes aware of hazardous environmental conditions or of any development that affects the scope or timing of DOWL HKM's Scope of Services or any defect in the Services of DOWL HKM or the work of any Contractor.

F. Site Access

CLIENT will arrange for safe access to and make all provisions for DOWL HKM and DOWL HKM subconsultants to enter upon public or private property as required for DOWL HKM to perform services under this AGREEMENT.

SECTION 4- OBLIGATIONS OF DOWL HKM

A. Independent Contractor

DOWL HKM is an independent contractor and will maintain complete control of and responsibility for its employees and subcontractors. DOWL HKM shall also be solely responsible for the means and methods for carrying out the Scope of Services and for the safety of its employees.

B. Performance

The standard of care applicable to DOWL HKM's services will be the degree of skill and diligence normally employed by professional engineers or consultants performing the same or similar services under similar circumstances, at the same time and in the same locality as DOWL HKM's services are performed. DOWL HKM will be responsible for the technical accuracy of its services and documents resulting therefrom. DOWL HKM will correct deficiencies not meeting this standard without additional compensation except to the extent such deficiencies are directly attributable to CLIENT furnished information. DOWL HKM makes no other warranties, express or implied under this agreement.

C. Indemnification

1. To the fullest extent permitted by law, DOWL HKM agrees to indemnify and hold harmless CLIENT, CLIENT's officers, directors, partners, and employees from and against any and all claims, costs, losses and damage (including, but not limited to, attorney's fees and litigation or arbitration costs) caused solely by the negligent acts or omissions of DOWL HKM or DOWL HKM's officers, directors, partners, employees or subconsultants in performing the services under this agreement.
2. To the fullest extent permitted by law, CLIENT agrees to indemnify and hold harmless, DOWL HKM, DOWL HKM's officers, directors, partners, employees or subconsultants, from and against any and all claims, costs, losses and damage, (including, but not limited to, attorney's fees and litigation or arbitration costs) caused solely by the negligent acts, or omissions of CLIENT, CLIENT's officers, directors, partners, employees in performing the services under this agreement.

3. To the fullest extent permitted by law, DOWL HKM's total liability to CLIENT and anyone claiming by, through or under CLIENT for any claim, cost, loss or damages caused in part by the negligence of DOWL HKM and in part by CLIENT or any other negligent entity or individual, shall not exceed the percentage share that DOWL HKM's negligence bears to the total of all other negligent entities and individuals.

D. Publicity

DOWL HKM will not disclose the nature of its Scope of Services on the Project, or engage in any publicity or public media disclosures with respect to this project without the prior written consent of CLIENT.

E. Limitation of Liability

To the fullest extent permitted by law, DOWL HKM and CLIENT (1) waive against each other, and the other's employees, officers, directors, agents, insurers, partners, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the Project, and (2) agree that DOWL HKM'S total liability to CLIENT under this Agreement shall be limited to \$75,000 or the total amount of compensation received by DOWL HKM, whichever is greater. . DOWL HKM is willing to negotiate this liability limitation ceiling with an appropriate increase in fee.

F. Safety

DOWL HKM shall be solely responsible for complying with all Federal and State laws and regulations relating to the safety of its employees and for the means and methods for carrying out the Scope of Services.

G. Equal Opportunity Employment

DOWL HKM is committed to the principles of equal employment opportunity and affirmative action in employment and procurement. DOWL HKM does not discriminate against applicants, employees, or suppliers on the basis of factors protected by federal or applicable state laws.

SECTION 5- GENERAL LEGAL PROVISIONS

A. Reuse of Documents

All documents are instruments of service in respect to this PROJECT, and DOWL HKM shall retain ownership and property interest therein whether or not the PROJECT is completed. CLIENT may make and retain copies for information and reference in connection with the use and occupancy of the PROJECT. Any reuse without written verification of DOWL HKM will be CLIENT's sole risk.

Copies of documents that may be relied upon by CLIENT are limited to the printed copies (also known as hard copies) that are signed or sealed by the DOWL HKM. Files in electronic media format are furnished for convenience.

Because data stored in electronic media format can deteriorate or be modified, inadvertently or otherwise, without authorization of DOWL HKM, the party receiving the electronic files agrees to perform acceptance tests or procedures within 60 days, after which the receiving party shall have deemed to have accepted the data thus transferred. Any errors detected within the 60-day acceptance period will be corrected by DOWL HKM. DOWL HKM will not be responsible to maintain documents stored in electronic media format after acceptance by CLIENT.

DOWL HKM makes no representations as to long term compatibility, usability, or readability of documents resulting from use of software application packages, operating system, or computer hardware differing from those used by DOWL HKM at the beginning of this PROJECT.

B. Termination

1. CLIENT may terminate this AGREEMENT for convenience. In such event, DOWL HKM will be entitled to compensation for Services performed up to the date of termination. DOWL HKM will not be entitled to compensation or profit on Services not performed.
2. The obligation to provide further services under this AGREEMENT may be terminated by either party upon thirty (30) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party, and defaulting party does not commence correction of such nonperformance within five days of written notice and diligently completes the correction thereafter.
3. If no notice of termination is given, relationships and obligations created by this AGREEMENT, except indemnification obligations, will be terminated upon completion of all applicable requirements of this AGREEMENT.

C. Severability and Survival

If any of the provisions contained in this AGREEMENT are held illegal, invalid or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. Indemnities and express representations shall survive termination of this AGREEMENT for any cause.

D. Montana Law and Venue

The parties agree that any action at law, suit in equity, or judicial proceeding for the enforcement of this AGREEMENT or any provision thereof shall be instituted only in the courts of the STATE OF MONTANA, and it is mutually agreed that this AGREEMENT shall be governed by the laws of the STATE OF MONTANA, both as to interpretation and performance.

E. No Third Party Beneficiaries

This AGREEMENT gives no rights or benefits to anyone other than the DOWL HKM and CLIENT and has no third party beneficiaries.

F. Successor, Assigns, and Beneficiaries

DOWL HKM may assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that are due or may become due) in this Agreement without the consent of the Client, except to the extent that any assignment, subletting, or transfer is restricted by law. Unless specifically stated to the contrary any assignment, sublet, or transfer will not release or discharge DOWL HKM from any duty or responsibility under this Agreement.

G. Limits of Agreement

This instrument contains the entire AGREEMENT between the parties, and no statement, promise or inducements made by either party or agents of either party, which are not contained in the written AGREEMENT shall be valid or binding. This AGREEMENT supersedes all prior written or oral understandings. This AGREEMENT may not be enlarged, modified or altered except by a duly executed written instrument.

H. Consequential Damages

Neither Party shall be liable to the other for consequential damages, including, without limitation, loss of use or loss of profits, incurred by one another or their subsidiaries or successors, regardless of whether such damages are caused by breach of contract, willful misconduct, negligent act or omission, or other wrongful act of either of them.

Attachment A

Scope of Services

PROPOSED SCOPE OF SERVICES

The purpose of the work proposed herein is to define the extent and magnitude of the petroleum-impacted soil and groundwater in the vicinity of the Pine Hills School UST release sites. Project management and fieldwork will be conducted from our Billings office, with support from the Miles City office. DOWL HKM proposes the following scope of work:

- TASK 1 Borings and Well Installation
- TASK 2 Groundwater Sampling
- TASK 3 Reporting

The following is a detailed description of the proposed work.

TASK 1 – BORING AND WELL INSTALLATION

Utility Locates

DOWL HKM will call the one-call underground utility locate service to have all underground utilities located in the vicinity of the project site prior to any subsurface investigation. Utilities owned and maintained by the facility will be located by the Owner.

Borehole Advancement

In order to further determine the extent and magnitude of petroleum impacts to soil and groundwater in the vicinity of the petroleum release, DOWL HKM proposes to advance 13 boreholes. Six of these boreholes will be completed as permanent monitoring wells, and 4 as temporary, with a depth of approximately 25 feet per borehole. Final borehole and monitor well locations and depths will be determined in the field based on accessibility, underground utilities, the presence of unforeseen impedances, or other factors. Final locations will be recorded in the field log book and staked in the field when drilling is completed so the locations can be surveyed. The borings and monitoring wells will be advanced and installed using hollow-stem auger methods. Boreholes will be filled with drill cuttings and bentonite with the surface completed to match the surrounding surface. Any contaminated soil will be stockpiled on site.

Soil Logging and Sampling

A DOWL HKM engineer or geologist will log the soil types and consistencies and document any visible signs of petroleum impacts. A portion of each soil sample will be placed into an air-tight container, labeled and allowed sufficient time for the hydrocarbons, if present, to volatilize. After the equilibration period, each sample will be scanned with a photo-ionization detector (PID) by inserting the sampling probe into the headspace of the container. The PID is a field monitoring device used to measure volatile organic constituents in parts per million (ppm). The PID readings from each soil sample collected from a borehole will be reviewed and the sample with the highest PID reading or other signs indicating petroleum impacts will be selected for laboratory analysis. If no organic vapors are recorded, the sample collected closest to the water table at the time of drilling will be submitted for analysis. The corresponding sample will be placed into a laboratory-supplied container, labeled, stored on ice, and submitted to Energy Laboratories (ELI) in Billings for volatile petroleum hydrocarbon (VPH) and extractable petroleum hydrocarbons (EPH). Chain-of-custody documentation will accompany the samples. A minimum of one soil sample per borehole will be collected for laboratory analysis.

Monitor Well Installation

Thirteen boreholes will be drilled and 6 of the boreholes will be completed as permanent monitor wells, and 4 temporary, installed to an approximate depth of 25 feet below the existing ground surface. The monitor wells will be constructed with 2-inch schedule 40 polyvinyl chloride (PVC) pipe. All well screen and pipe will be delivered to the site factory wrapped. The factory-slotted (0.01-inch) PVC screen will extend above

and below the static water table. The monitoring wells will be screened below the top of gravel to the bottom of the borehole to facilitate entry of any light non-aqueous phase liquid (LNAPL) and vapor-phase hydrocarbons. The remainder of the borehole will be completed with PVC riser pipe to grade. The annular space between the well and the borehole will be backfilled with 10/20 silica sand to near the top of the gravel with the remainder sealed with a bentonite pack. The wellheads will be protected by steel standpipe covers or flush mount covers and set in concrete.

Well construction will be completed in accordance with Montana Board of Water Well Contractors (MBWWC) regulations. Copies of the logs will be submitted to the MBWWC by the drilling contractor.

DOWL HKM will be responsible for development of the wells. The wells will be developed as per DEQ development techniques. The wells will be developed until the discharge water appears to be free of sediment. Any purged water during this process will be discharged on site.

A licensed survey crew from DOWL HKM will survey the new borehole and monitor well locations, as well as any other pertinent features. The elevation of the top of the PVC of the newly installed monitor wells will be determined within 0.01 feet accuracy to mean sea level. Static water levels will be measured in all monitoring wells and groundwater elevations calculated to determine the local groundwater gradient.

Decontamination Procedures

All equipment that comes into contact with potentially impacted soil and water will be decontaminated. Disposable equipment intended for one-time use will not be decontaminated, but will be disposed of. Decontamination will occur after each use of a piece of equipment. Decontamination of all drilling and sampling equipment used including augers, trowels, split-spoons, and pumps will be performed or directed by DOWL HKM staff.

TASK 2 – GROUNDWATER SAMPLING

Groundwater samples will be collected from four new monitor wells as part of the borehole and monitor well installation field work. Any purged water during this process will be discharged on site.

Prior to groundwater sample collection, each monitor well will be gauged for the presence of LNAPL. The wells will be gauged using an electronic interface probe capable of detecting water or LNAPL hydrocarbons to within 0.01 feet. Groundwater samples will be collected from all wells that do not contain LNAPL and submitted for laboratory analysis (VPH and EPH).

Prior to collecting groundwater samples, the volume of water in each well will be calculated based on the depth to water measurements, total depth of the well, and well diameter. To ensure the groundwater samples are representative of the subsurface conditions, at least three well annulus volumes of water will be purged from each well prior to sample collection. To ensure representative groundwater samples are collected, water quality parameters will be monitored and allowed to stabilize during the purging process prior to sample collection. These parameters will include dissolved oxygen (D.O.), pH, conductivity, and temperature.

All groundwater samples will be collected with a submersible pump and disposable tubing using a low-flow sampling technique and transferred to the appropriate laboratory containers. If adequate water is not present to use a submersible pump, disposable polyethylene bailers will be used to collect groundwater samples. New, sterile containers will be supplied by the laboratory prior to sample collection. Each sample container will be preserved, as directed by the laboratory, labeled, and packaged on ice. The water samples will be delivered to ELI in Billings. Chain-of-custody documentation will accompany the samples. The samples

will be stored on ice and submitted to for VPH and EPH analysis. A maximum of 10 groundwater samples (one from each permanent and temporary monitor well) will be submitted for analyses during the sampling event following the boring and well installation field work.

Purged waters will be discharged on site

TASK 3 – REPORTING

Following remedial investigation, DOWL HKM will prepare a summary report that details the results of the investigation. The report will include the following items:

- soil sample collection procedures;
- interpretation of analytical laboratory data;
- figures including a site location map, and site map showing well and borehole locations; and
- recommendations related to data interpretation and site characterization.

COST

We will provide the consulting services for this project on a Time and Materials basis. Our services will be provided in accordance with the attached Scope of Services, Fee Schedule, Cost Estimate, and Provisions. These costs will not be exceeded without prior approval.

SCHEDULE

DOWL HKM is prepared to begin work within two to four weeks of your notice to proceed. Preliminary recommendations could be provided as the project progresses. A final report will be presented within 4 weeks of completing the fieldwork and receiving laboratory test results.

Attachment B Fee Schedule



MONTANA FEE SCHEDULE

Personnel Billing Rates

Senior Manager	\$150.00
Engineer V	\$135.00
Engineer IV	\$115.00
Engineer III	\$95.00
Engineer II	\$85.00
Engineer I	\$72.00
Engineering Technician III *	\$85.00
Engineering Technician II *	\$70.00
Engineering Technician I *	\$50.00
Geologist III	\$115.00
Geologist II	\$75.00
Laboratory Manager	\$85.00
Laboratory Technician *	\$50.00
Inspector *	\$85.00
Professional Land Surveyor *	\$95.00
Crew Chief *	\$70.00
Survey Technician *	\$50.00
Accounting Technician *	\$55.00
Marketing Assistant *	\$60.00
Administrative Assistant *	\$55.00

*Subject to overtime at 1.5 times above rates.

Equipment, Materials, & Supplies

ATVs	=	\$150.00/day		
Boat/Trailer	=	\$150.00/day		
		<u>DAY</u>	<u>WEEK</u>	<u>MONTH</u>
2 GPS Receivers (Survey Quality)		\$400.00	\$1,600.00	\$4,800.00
Single/Each Additional Receiver		\$200.00	\$800.00	\$2,400.00

Travel, Mileage, & Miscellaneous

Per diem will be billed after 6 hours in the field and when more than 50 miles from the office at ¼ rate for every 6 hours or portion of a quarter day greater than 3 hours. For the day of departure, the day begins at time of departure. For the day of return, the day ends when employee arrives at authorized point of destination (office, home, etc.).

Per diem (per person, per day Montana)	=	\$46.00/day
Lodging	=	cost per night
Airfare	=	cost
Vehicle Usage – Automobiles	=	0.75/mile
Vehicle Usage – Pickups, Suburban	=	1.00/mile
Printing/Supplies/Phone/Fax/Postage	=	Note 2
Specialized Software/Hardware	=	Note 3
Subcontractors	=	Cost + 10%
Laboratory Analysis	=	Cost + 10%
Other/Miscellaneous	=	Cost + 10%

Notes

1. DOWL HKM's Professional Fee Services Fee Schedule is subject to adjustment each year (May 1st) or at the end of a contract period, whichever is appropriate. Should adjustments be anticipated or required, such adjustments will not affect existing contracts without prior agreement between Customer and DOWL HKM.
2. Costs included in overhead rates for reasonable requests. Requests beyond those considered reasonable by the project manager billed at Cost + Agreed Upon Mark-up.
3. Specialized computer software or hardware necessary for a unique application for will be billed at a negotiated rate or unit cost.

Attachment C Cost Estimate

Pine Hills School, 108 North Haynes Avenue, Miles City, Montana
Well Construction/Groundwater Sampling & Reporting
UNIT COST WORKSHEET

Task	Unit Cost		Number of Units	Total Cost
Project Management (Work Plan Preparation)	\$135 /hr		2	\$ 270.00
Staff Engineer, (Utility Locate, Easement)	\$85 /hr		4	\$ 340.00
Mobilization/Demobilization⁽¹⁾				
Mobilization/Demobilization (2 Trips @ 300 miles)	\$1.00 /mile		600	\$ 600.00
Mobilization/Demobilization (2 Trips @ 4.5 hours)	\$85.00 /hour		9	\$ 765.00
Field Work				
Water Level Measurements ⁽²⁾ (unsampled wells only)	\$35 /well			\$ -
Well Development	\$150 /well		10	\$ 1,500.00
Well Monitoring/Purging/Sampling ⁽³⁾	\$145 /well		10	\$ 1,450.00
Soil Boring Supervision - Project Engineer	\$85 /hr		25	\$ 2,125.00
Well Sampling	\$85 /hr		10	\$ 850.00
Drilling Contractor	\$10,000		1	\$ 10,000.00
Surveying - 2-person crew	\$125 /hr		8	\$ 1,000.00
Surveying - Equipment Charge	\$400 /day		1	\$ 400.00
Report Preparation ⁽⁴⁾				
Quarterly GW Monitoring Report	\$1,200 /report			\$ -
Well Install/GW Monitoring Report	\$2,500 /report		1	\$ 2,500.00
Other (please specify)				\$ -
				\$ -
				\$ -
Subtotal Project Expense				\$ 21,530.00
The costs below are estimates, not bids. Lodging and laboratory analysis will be paid at actual cost when documented by receipts/invoices.				
Per Diem (specify number of individuals _____)				
Per Diem: Motel	\$100 /person per day		2	\$ 200.00
Per Diem: Food	\$46 /person per day		4	\$ 184.00
Laboratory Analysis ⁽⁵⁾				
Volatile Petroleum Hydrocarbons (VPH)	\$120 /sample		13	\$ 1,560.00
Extractable Petroleum Hydrocarbons (EPH)				
"screen"	\$75 /sample		13	\$ 975.00
EPH "fractions"	\$125 /sample		3	\$ 375.00
BTEX/MTBE/Naphthalene only-method:	/sample			\$ -
Polyaromatic Hydrocarbons (PAHs)	/sample			\$ -
PTCRB sampling fee ⁽⁶⁾	\$10 /sample		13	\$ 130.00
Other (please specify)	/sample			\$ -
Other (please specify)	/sample			\$ -
TOTAL PROJECT EXPENSE				\$ 24,954.00

Special Conditions/Costs:

Additional Comments/Costs:

Attachment D

Prevailing Wage Requirements

PREVAILING WAGE REQUIREMENTS-MONTANA

Unless superseded by federal law, Montana law requires that contractors and subcontractors give preference to the employment of Montana residents for any public works contract in excess of \$25,000 for construction or nonconstruction services in accordance with sections 18-2-401 through 18-2-432, MCA, and all administrative rules adopted pursuant thereto. Unless superseded by federal law, each contractor shall ensure that at least 50% of the contractor's workers performing labor on a construction project are bona fide Montana residents. The Commissioner of the Montana Department of Labor and Industry has established the resident requirements in accordance with sections 18-2-403 and 18-2-409, MCA. Any and all questions concerning prevailing wage and Montana resident issues should be directed to the Montana Department of Labor and Industry.

In addition, unless superseded by federal law, all employees working on a public works contract shall be paid prevailing wage rates in accordance with sections 18-2-401 through 18-2-432, MCA, and all administrative rules adopted pursuant thereto. Montana law requires that all public works contracts, as defined in section 18-2-401, MCA, in which the total cost of the contract is in excess of \$25,000, contain a provision stating for each job classification the standard prevailing wage rate, including fringe benefits, travel, per diem, and zone pay that the contractors, subcontractors, and employers shall pay during the public works contract. Should the current Standard Agreement for Professional Services and Provisions between DOWL HKM and CLIENT exceed \$25,000.00 in costs, Prevailing Wage requirements will apply effective upon execution of the original Contract agreement.

Furthermore, section 18-2-406, MCA, requires that all contractors, subcontractors, and employers who are performing work or providing services under a public works contract post in a prominent and accessible site on the project staging area or work area, no later than the first day of work and continuing for the entire duration of the contract, a legible statement of all wages and fringe benefits to be paid to the employees in compliance with section 18-2-423, MCA. Section 18-2-423, MCA, requires that employees receiving an hourly wage must be paid on a weekly basis.

Each contractor, subcontractor, and employer must maintain payroll records in a manner readily capable of being certified for submission under section 18-2-423, MCA, for not less than three years after the contractor's, subcontractor's, or employer's completion of work on the public works contract.

The Commissioner of the Montana Department of Labor and Industry has established the standard prevailing rate of wages in accordance with sections 18-2-401 and 18-2-402, MCA. The nature of the work performed or services provided under this contract meets the statutory definition of a "public works contract" under section 18-2-401(11) (a), MCA, and falls under the category of Heavy Construction Services. The booklet containing Montana's 2010 Rates for

Heavy Construction Services is available electronically at the following address:
<http://erd.dli.state.mt.us/laborstandard/wagehrprevail.asp>.